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Committee: Budget and Taxation
Testimony on: SB317 “Income Tax – Credit for Energy Efficiency Upgrades – Passive Homes”
Position: Support
Hearing Date: February 8, 2023

The Maryland Chapter of the Sierra Club offers this testimony in support of SB317.

The bill will establish a limited tax credit for residential property owners who make certain energy efficiency upgrades to their building’s exterior envelope or their duct system consistent with the standards established by the [Passive House Institute](#). The Institute is an independent research organization that has played a central role in the development of the “passive house” concept, which entails using certain energy efficiency measures to minimize the amount of heating and cooling needed by a building (e.g., by using air sealing, super insulation, and passive solar principles).

Maryland must substantially reduce greenhouse gas emissions from buildings to achieve its goal of reducing emissions by 60% by 2031 (from 2006 levels) and reaching net-zero emissions by 2045. Burning fossil fuels in buildings generates up to 20% of Maryland’s greenhouse gas pollution. For this reason, we are supporting legislation this session to update Maryland’s energy efficiency program, EmPOWER Maryland, to offer subsidies to property owners who switch from gas to electric heating and appliances, and end subsidies for gas furnaces.

At the same time, Maryland must continue its efforts to improve the energy efficiency of our buildings. This bill will work in tandem with the EmPOWER program to decrease the energy demands and resulting emissions from the building sector, and will help reduce energy efficiency costs.

For these reasons, we urge a favorable report on this bill.

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